

Our Northern Ontario Letter

The achievements of some of the leading silver mines in the Cobalt field during recent weeks directly reflects the strong position of commercial bar silver. The value of the output in a number of instances is reaching new high levels. As an instance of this is the Nipissing, which, as pointed out last week in the Journal is producing at the rate of upwards of \$500 every twenty-four hours.

The Mining Corporation of Canada has secured an option on the Buffalo, and is proceeding with an examination. At the time of writing, the consummation of a deal would appear to be probable. Lying adjacent to the Townsite property of the Mining Corporation, and containing a large quantity of low grade ore as well as possibilities of favorable developments, the Buffalo mine would appear to be a valuable acquisition to the Mining Corporation.*

In connection with the Buffalo Company, itself, a meeting is called for to-morrow (Nov. 20th) for the purpose of authorizing another reduction in capital. The company was originally capitalized at \$1,000,000 divided into 1,000,000 shares of the par value of \$1. each. Two years ago the capital was reduced to \$750,000 by paying shareholders 25 cents a share, and thus reducing the par value to 75 cents. Last year a similar reduction was made, thus leaving the company with \$500,000 capitalization, made up of 1,000,000 shares of the par value of 50 cents each. To-morrow's meeting is for the purpose of authorizing payment of 35 cents a share, thus reducing the capital to \$150,000 made up of 1,000,000 shares of the par value of 15 cents each.

The Lumsden Mine has been taken over by C. L. Campbell of Montreal, who announces that he is having the workings pumped out preparatory to making an examination. It is planned to thoroughly develop the property. Exploration work carried on several years ago resulted in one shipment of high grade ore being made. Sinking was carried to a depth of 400 feet with drifting and cross-cutting at four levels. This deal was referred to last week, the name of the "Drummond" being erroneously mentioned, and lacking the official details above given. Major Rattrey, formerly of the Borden Battery will have charge of operations.

The Penn-Canadian has evinced a desire to secure the Bailey-Cobalt mine on a fifty-fifty consolidation basis. The Penn-Canadian is equipped with a first class mining and milling plant as well as a fair amount of ore left in the mine, and with a tailings pile amounting to about 200,000 tons and estimated to contain around 750,000 ounces of silver. An attractive feature of the offer is the fact that the development of the Bailey-Cobalt could be proceeded with without any delay or expense in that the Bailey was originally opened up under lease through the workings of the Penn-Canadian and is connected up on all levels, with the exception of the lowest level. Last week, the of-

fer of the Northern Customs Concentrator Company through A. J. Young, came up before the Master in Ordinary in Osgoode Hall, Toronto, but objections were raised by the so-called minority interest with the result that the case was enlarged until today (Nov. 19th). It now develops that the minority interests claim to really control the Bailey. They appear to base this on the fact that the books of the company have been closed for over five years, and the present so-called majority interests are alleged to ease their claim on the books as of five years ago.

The shareholders of the Trethewey having ratified the deal to acquire the Major property in the Gowganda district, as well as a lease of 112 acres under Miller Lake, the holdings of this company taken on added prospective value in which enters an added element of speculation. In view of the success met with on the adjoining Miller Lake-O'Brien Mine, the proposition is attractive.

Underground operations have been assumed at the Peterson Lake. The indications are, however, that no effort will be made at this season to treat the large pile of tailings from past operations and upon which appears to rest the best chances of commercial operations.

The Provincial is stated to have developed a considerable tonnage of low grade ore during recent months, although the importance of this has not yet been demonstrated.

At the Genesee property, a faulted zone has been encountered at a depth of 500 feet where lateral exploration is being carried on. Over a width of about seven feet assays show an average silver content of four ounces of silver to the ton. Although this is slightly below commercial grade, yet it indicates that operations are being carried on in the zone of enrichment and is pointed to as a promising development.

Philadelphia interests are still considering the advisability of opening the Silver Hill property, but, as yet, no definite announcement has been made. The property lies between the north-east part of the Nipissing and the Silver Bird property of the O'Brien.

During the month of October the Kerr Lake Mine produced 112,000 ounces of silver, the output being the highest for several months. This is at a rate of close to the average monthly output during the fiscal year ended August 31st when a total of 1,482,649.40 ounces was produced.

During the month the price of silver averaged close to \$1.20 an ounce lending an estimated value of about \$134,000 to the October production. This is at the rate of about \$1,612,800 a year, as compared with gross profits of \$1,637,143.71 during the past fiscal year, of which \$956,258.19 was net profit.

The Kerr Lake has put into practice the proposed system of workmen's committees, the personnel of which is men employed by the company. The new plan promises to give the utmost satisfaction.

It will be recalled that during the labor strike of last summer the mining companies refused to recognize the Western Federation of Miners, but made a proposal to the men that if they returned to work the companies would agree to the men forming workmen's committees at individual mines and in this way discuss with the management matters concerning the welfare

* Note: A later announcement by the officials of the Mining Corporation of Canada states that it has bought control of the Buffalo Mines Limited. No further particulars of the transaction were given, except that the reported purchase price of \$300,000 was incorrectly stated.